

MOLINO, RAYMOND

28875

Department of State

TELEGRAM

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ACTION ARA-20

INFO OCT-01 CEA-02 AID-28 CIAE-00 COM-08 E-15 FRB-02
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FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC 1869
INFO AMEMBASSY MANAGUA

Cuba

C O N F I D E N T I A L GUATEMALA 4132

SUBJECT: US FRIENDS OF JAILED BANKER EXPRESS CONCERN FOR
HIS SAFETY

REF: GUATEMALA 4108 (NOTAL)

1. OVER WEEKEND CHIEF OF ECON SECTION WAS CALLED AND VISITED BY CUBAN EXILE, RAYMOND MOLINO OF MIAMI, IN BEHALF OF ALBERTO DIAZ MASVIDAL, CUBAN AND PRINCIPAL SHAREHOLDER OF BANCO DE COMERCIO E INDUSTRIA. MOLINO REPEATED STORY, NOW RPT NOW WIDELY CURRENT IN GUATEMALA, THAT DIAZ MASVIDAL WAS JAILED ON ORDERS FROM TOPMOST ECHELONS (READ PRESIDENT ARANA) OF GOG. MOLINO SAID HE HAD JUST ARRIVED FROM MIAMI BECAUSE OF CONCERN OF MRS DIAZ MASVIDAL, HIMSELF, AND OTHERS THAT DIAZ MASVIDAL MIGHT BE ASSASSINATED WHILE ALLEGEDLY TRYING TO ESCAPE.

2. MOLINO INDICATED HE WAS LOOKING FOR ANY ADVICE OR ASSISTANCE WHICH EMBASSY MIGHT RENDER DIAZ MASVIDAL (WHO SO FAR AS EMBASSY AWARE NOT RPT NOT US CITIZEN). IN RESPONSE TO DIRECT QUESTION MOLINO SAID HE WAS FRIEND, NOT RPT NOT LAWYER OF DIAZ MASVIDAL. HE STATED THAT VICE PRES OF DIAZ MASVIDAL'S BANK IN MIAMI, ANDRES TRIAZ, IS LAWYER AND PERHAPS HAD VISITED GUATEMALA FEW DAYS EARLIER. (MRS DIAZ HAD PREVIOUSLY TOLD COMM. ATTACHE THAT MASVIDAL'S US LAWYER, A CUBAN EMIGRE' AND US CITIZEN NAMED GONZALEZ ON WAY DOWN).

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3. MOLINO CRYPTICALLY REMARKED THAT FIRENDS OF DIAZ MASVIDAL IN WASHINGTON WOULD BE CONCERNED ABOUT HIS WELFARE. AT OTHER TIMES DURING HOUR-LONG CONVERSATION MOLINO SAID HE (A) WAS FRIEND OF SEN. TOWER OF TEX., (B) HAD INTRODUCED DIAZ MASVIDAL TO CONGRESSMEN FROM FLA., (C) HAD BEEN ACTIVE IN FALL CAMPAIGN OF REPUBLICANS IN FLA., AND (D) WAS PART OF NATIONALITIES SECTION OF REPUBLICAN NATIONAL COMMITTEE.

4. MOLINO ALSO SAID AT ONE POINT THAT ONLY CONCERN OF DIAZ MASVIDAL AND ASSOCIATES WAS FOR HIM TO GET OUT OF COUNTRY ALIVE, BUT AT ANOTHER POINT MOLINO ALSO ALLEGED THAT ARANA ON THREE DIFFERENT OCCASIONS HAD INDICATED TO DIAZ MASVIDAL THAT IF HE WOULD SIGN AWAY ALL CLAIMS TO HIS PROPERTIES IN GUATEMALA (WHICH INCLUDE BANCO DE COMERCIO E INDUSTRIA, SANTA ANA SUGAR MILL, AND COUPLE OF CATTLE RANCHES), HE COULD LEAVE COUNTRY SCOTT-GREE. REFERRING TO CLOSE ASSOCIATION OF DIAZ MASVIDAL WITH PREVIOUS ADMINISTRATION, MOLINO AFFIRMED THAT NOW NO ONE PREPARED TO LIFT FINGER IN HIS BEHALF. NEVERTHELESS, HE CONTINUED, DIAZ MASVIDAL IS TOUGH FIGHTER NOT RPT NOT LIKELY TO SIGN AWAY CLAIM TO HIS PROPERTIES.

5. MOLINO SAID HE LEAVING NOV 8 FOR MANAGUA IN ATTEMPT TO GET LARGE COTTON GROVE THERE, JULIO PATACKY, AND POSSIBLE SOMOZA, TO INTERCED WITH ARANA. MOLINO SAID WHEN ARANA RECENTLY VISITED SOMOZA, ARANA STAYED IN HOME OF PATACKY, GOOD FIREND OF DIAZ MASVIDAL, AND THAT SOMOZA HAD COME TO PATACKY'S HOUSE DURING ARANA'S STAY THERE.

6. MOLINO SAID WHEN HE RETURNED TO US HE INTENDED TO START PRESS CAMPAIGN IN NY AND WASHINGTON ABOUT DIAZ MASVIDAL CASE AND TO INTEREST US CONGRESSMEN IN SUBJECT.

7. ECON CHIEF SAID HE FELT MOLINO'S LOCAL EFFORTS MIGHT BE OF SOME HELP (#)

EARNED MOLINO SEEING DIAZ MASVIDAL'S LOCAL LAWYER, JOSE ANTONIO PALACIOS (ALSO IRCA'S LAWH4, WITH CONNECTIONS LAST ADMINISTRATION BUT NOT VERY HIGHLY REGARDED PROFESSIONALLY), AND

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THEN DIAZ MASVIDAL HIMSELF. ECON CHIEF REMARKED THAT CONVERSATION DIRECTLY WITH DIAZ MASVIDAL MIGHT THROW EXTRA LIGHT ON SUBJECT, AND THAT PERHAPS MOLINO AND ECON CHIEF COULD CONFER AGAIN AFTERWARDS. WHEN SUBJECT CAME UP, ECON CHIEF SAID HE FELT ARANA ALREADY AWARE OF IMPLICATIONS OF DAMAGING GUATEMALA'S INTERNATIONAL CREDIT STANDING.

8 MOLINO WAS TOLD EMBASSY READY AT ANY TIME TO TALK FURTHER WITH HIM, EITHER AFTER HE HAD SEEN DIAZ MASVIDAL NOV 8, OR IF HE RETURNED FROM MANAGUA VIA GUATEMALA. MOLINO SEEMED CONFIDENT HE WOULD SEE DIAZ MASVIDAL BUT DID NOT COMMUNICATE FURTHER PRIOR HIS SCHEDULED DEPARTURE FOR MANAGUA.

9. COMMENT: ALTHOUGH ARANA REPORTEDLY QUITE ANGRY WITH DIAZ MASVIDAL SUPPOSEDLY FOR STAING GUATEMALA' OR ARANA ADMINISTRATION'S GOOD NAME BY MILKING HIS OWN BANK (AND POSSIBLY FOR THROWING "VICTORY". PARTY FOR OPPOSITION JUST BEFORE ARANA'S ELECTION) EMBASSY FINDS IT DIFFICULT BELIEVE ARANA WOULD GO SO FAR AS HAVE DIAZ MASVIDAL DONE IN. CASE HAS ALREADY RECEIVED EXTENSIVE PUBLICITY. DIAZ MASVIDAL OVER WEEKEND TOOK OUT FULL-PAGE ADVERTISEMENTS PRESENTING HIS CASE, INCLUDING REPRODUCTION OF LETTER HE CLAIMED TO HAVE SENT MONETARY BOARD IN SEPT OFFERING TO PUT UP HIS SHARES IN BANCO AND SANTA ANA SUGAR MILL TO COVER BANCO'S LOSSES. DIAZ MASVIDAL ALSO PUBLICIZING OFFER OF 1ST NATIONAL CITY BANK TO PICK UP PIECES (UNDER CERTAIN CONDITIONS) BUT IT APPEARS NEITHER LOCAL BANKS NOR GOG KEEN ON SUCH A SOLUTION. WHOLE SITUATION BECOMING MESSIER, WITH VARIOUS RAMIFICATIONS, FINANCIAL AND OTHERWISE. FOR EXAMPLE, BANCO'S MANAGER IS SON OF NEWLY NAMED GUATEMALA AMBASSADOR TO US, AND LESSER BANCO EMPLOYEES SAID TO BE WIRED INTO GOG. EIGHT PERSONS, REPORTEDLY INCLUDING: FUCTIONARIES BANK OF GUATEMALA DURING MENDEZ ADMINISTRATION, BEING INDICTED IN CRIMINAL CHARGES TODAY. GP-4.
DAVIS

NOTE BY OC/T: GUATEMALA 4132, (#) OMISSION. CORRECTION TO FOLLOW.

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